

SERVICE AREA AGREEMENT BETWEEN  
ILLINOIS POWER COMPANY AND  
SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

AGREEMENT entered into as of the 20th day of August, 1970  
between ILLINOIS POWER COMPANY, an Illinois corporation (Illinois Power)  
and SOUTHWESTERN ELECTRIC COOPERATIVE, INC., an Illinois not-for-profit  
corporation (Southwestern).

Illinois Power and Southwestern have existing electric facilities  
and are providing electric service to consumers in an area comprised of  
parts of Madison, Bond, Fayette, St. Clair, Macoupin, Montgomery, Clinton,  
and Marion Counties, Illinois. In order to avoid duplication of facilities  
and to minimize disputes which may result in inconvenience and diminished  
efficiency of electric service to the public, Illinois Power and Southwestern,  
each being an "Electric Supplier" as that term is defined in the Electric  
Supplier Act, approved July 2, 1965, do enter into this Agreement for the  
purpose of defining and delineating, as between themselves, service areas  
in which each is to provide electric service.

In consideration of the mutual covenants and undertakings herein  
contained, Illinois Power and Southwestern AGREE as follows:

Section 1. (a) "Party" as used herein refers to one of the  
parties to this Agreement.

(b) "Existing customer" as used herein means a  
customer who is receiving electric service on the effective date hereof.

(c) "New customer" as used herein means any person,  
corporation, or entity, including an existing customer, who applies for a  
different electric service classification or electric service at a point of  
delivery which is idle or not energized on the effective date of this  
Agreement.

(d) "Existing point of delivery" as used herein means  
an electric service connection which is in existence and energized on the  
effective date hereof. Any modification of such electric service connection  
after the effective date hereof by which an additional phase or phases of  
electric current are added to the connection, shall be deemed to create a  
new point of delivery.

(e) "Large line corridor" as used herein means an area one-quarter of a mile in width on each side of the center line of a 34.5 KV or higher voltage electric line, which electric line was energized on July 2, 1965, and owned by a party hereto or subject to use or operation pursuant to a contract between said party and the owner thereof, and which electric line, by virtue of the terms of this Agreement, is not located within a Service Area of the party who has said rights of ownership or operation.

(f) "High voltage line" as used herein means an electric line having a voltage of 34.5 KV or higher.

(g) "Effective date" as used herein means the date of the approval of this Agreement by the Illinois Commerce Commission.

Section 2. Illinois Power and Southwestern hereby establish territorial boundary lines delineating the Service Areas (the Service Area or Areas) of each party. The territorial boundary lines and the respective Service Areas are shown on the maps attached hereto and marked Exhibits 1 through 9 and incorporated herein by reference. Exhibits 1 through 9 show the location of the electric lines which each party owns including the 34.5 KV or higher voltage electric lines which each party owns or is entitled to use or operate and are prima facie evidence of the location of such lines.

Section 3. (a) Except as otherwise provided in or permitted by this Section and Sections 4, 5, 6, and 9 of this Agreement, each party shall have the exclusive right to serve all customers whose points of delivery are located within its Service Areas and neither party shall serve a new customer within the Service Areas of the other party.

(b) Each party shall have the right to continue to serve all of its existing customers and all of its existing points of delivery which are located within a Service Area of the other party on the effective date.

(c) A new customer whose point of delivery is or would be located within a large line corridor and whose demand within the 12 months following the construction period is estimated, based upon the application of accepted engineering practices, to be 150 kilowatts or more if the high voltage line is 34.5 KV, 375 kilowatts or more if such line is 69 KV, and 500 kilowatts or more if such line is in excess of 69 KV, shall be served by the party owning or entitled to operate from the high voltage line; provided, however, that where the party in whose Service Area the large line corridor is located also has a high voltage line within one-quarter of a mile of the high voltage line in the large line corridor, the party whose high voltage line was first installed shall provide electric service to any customer whose demand within 12 months following the construction period is estimated as aforesaid to exceed 150 kilowatts. For the purposes of applying this Sub-paragraph 3(c), all high voltage lines shall be deemed to have the same voltage characteristics, location and rights which said lines had on July 2, 1965, even though said line or lines are subsequently rebuilt, relocated, removed or operated at a different voltage.

(d) A party who receives a written application for electric service from a new customer whose demand within the 12 months following the construction period is estimated, based upon the application of accepted engineering practices, to exceed 1,500 Kw, and whose point of delivery would not be located within a large line corridor, shall, within 10 days, notify the other party of such request. The parties shall, within 30 days thereafter, seek to determine which party shall provide the proposed electric service and, in such connection, shall be guided by the provisions of the Electric Supplier Act approved July 2, 1965. If the parties are unable to make such determination, either party may initiate proceedings under the Electric Supplier Act for the purpose of having such determination made by the Illinois Commerce Commission based on the provisions of the Electric Supplier Act approved July 2, 1965.

Section 4. (a) Except as otherwise provided in Sections 5 and 6 hereof, if any territory in a Service Area of either party shall, after the effective date, be annexed to a municipality in which the other party holds an electric franchise in effect on the date of such annexation, the territorial boundary line delineating Service Areas provided for in Section 2 shall not apply to any new customers in such annexed territory. Within thirty days after the date of such annexation, the parties shall seek to determine which party shall provide electric service to any such new customers, and, in that connection, shall be guided by the provisions of the Electric Supplier Act approved July 2, 1965, and the general principal that the Service Areas as determined in this Agreement shall continue to be Service Areas of the respective parties. If the parties are unable to make such determination, either party may initiate proceedings under the Electric Supplier Act for the purpose of having such determination made by the Illinois Commerce Commission.

(b) The parties shall not oppose by official action each other's efforts to secure authorization to provide electric service, which either may be required to obtain from any incorporated municipality under the provisions of the Electric Supplier Act, approved July 2, 1965, for any annexed area assigned by any amendment to this Agreement or for any annexed area which the Illinois Commerce Commission determines that either party is entitled to serve.

Section 5. If any tract of land shown on Exhibits 1, 2, 3, 4, 5, and 6 attached hereto (and subsequently any other tract of land mutually agreed to by Illinois Power and Southwestern in which the party acquiring the right to serve such tract releases to the other party therefor one or more tracts of land it was entitled to serve), shall, after the effective date, be annexed by, or otherwise incorporated into, an incorporated municipality and the party entitled to provide electric service in such annexed, or otherwise incorporated into, area (in this paragraph referred to as "first party") does not have and is unable to obtain any necessary franchise or other authorization to provide

electric service to new customers in such annexed area, the other party (in this paragraph referred to as "second party") shall have the right to provide electric service to all new customers within such annexed area provided that such other party has or obtains the necessary franchise or other authorization to provide such service. In such event, the Service Areas of first party shall be enlarged to include additional territory or shall be otherwise adjusted so as to equitably take into account the decrease in electrical load potential of its Service Areas resulting from such annexation. Any adjustment in the Service Areas of the parties shall be subject to the approval of the Illinois Commerce Commission and shall be effected by an amendment to this Agreement. If the parties are unable to agree on the addition of territory to its Service Area or other equitable adjustment to compensate the first party for the electrical load potential the first party is unable to serve because it was unable to obtain the necessary franchise or other required authorization to serve in a territory annexed or otherwise incorporated into a municipality allocated to it by the provisions of this Section 5, then the first party may initiate proceedings before the Illinois Commerce Commission praying that the Commission modify this agreement by adding territory in its Service Area or otherwise modify said agreement so that the first party will receive an electrical load potential reasonably equivalent to that which it was unable to serve because territory allocated to it was annexed or otherwise incorporated into a municipality.

Section 6. (a) Each of the parties hereto has been granted a franchise by the Village of Maryville, Illinois, authorizing it to provide electric service within the SW 1/4 of Section 2, T3N, R8W, 3rd P.M., Madison County, Illinois. Any provisions of Section 2 of this Agreement to the contrary notwithstanding, the following provisions in this Section 6 shall apply to the aforementioned SW 1/4 of Section 2, T3N, R8W, 3rd P.M., Madison County, Illinois.

(b) A map which shows said SW 1/4 of Section 2, the corporate limits of the Village of Maryville, the location of existing electric lines of the parties, and the location of existing customers served by the parties is attached hereto as Exhibit 6 and made a part hereof.

(c) The parties shall each have the right to continue to serve all its customers served on the effective date.

(d) Southwestern shall provide all electric service to new customers whose lots front on either side of Bauer Lane, to all new customers in Raynor's Subdivision comprised of 2 lots, and to all new customers in Bauer's Third Addition comprised of 10 lots.

(e) Illinois Power shall provide all electric service to new customers in the Adam's Subdivision comprised of 31 lots and to all new customers in Adam's First Addition comprised of 10 lots.

(f) Illinois Power and Southwestern intend that each shall, as nearly as practicable, provide electric service for one-half of the customers who now or hereafter shall require electric service in said SW 1/4 of Section 2. Each party shall advise the other party of requests for additional service in said SW 1/4 of Section 2 when such requests are for service in areas not already assigned by this Agreement. The parties shall negotiate for the purpose of determining, in accordance with the intent of this Agreement, which one shall furnish the additional electric service. Each party believes that the most economical and efficient electric service can be provided if one party serves all lots within a subdivision which can be classed as a separate entity. So far as practicable, the parties shall alternate in providing electric service to new subdivisions. Southwestern shall be entitled to provide electric service in the subdivision in said SW 1/4 of Section 2 which shall next require electric service.

(g) Each of the parties hereto shall provide street lighting service in the areas in said SW 1/4 of Section 2 assigned to it by this Agreement in accordance with its own contract with the Village of Maryville when such street lighting service is authorized to be furnished by the Village.

Section 7. Either party may construct new lines and may maintain, operate, renew, and replace existing electric facilities in the Service Areas of the other party. New construction shall not establish a large line corridor or corridors, nor alter or affect the right of either party to provide electric service to any new customer. Each party shall cooperate with the other party in obtaining rights of way and construction clearances for new lines through its Service Area.

Section 8. The parties undertake to furnish reasonable and adequate service to the customers each is or may be entitled to serve under this Agreement, provided that this undertaking is solely for the benefit of the respective customers and is intended to be enforced in accordance with the provisions of Section 9 of the Electric Supplier Act approved July 2, 1965, by Southwestern's customers and is intended to be enforced in accordance with the Public Utilities Act by Illinois Power's customers.

Section 9. If either party should request the other to furnish electric service to a customer who the requesting party is entitled to serve by reason of this Agreement and the other party does render such service, this Agreement shall not thereby be voided but shall otherwise remain in full force and effect.

Section 10. The following three Agreements have previously been entered into between the parties hereto:

- A. Agreement dated October 17, 1966, and approved by the Illinois Commerce Commission on January 25, 1967, under Docket ESA 41.
- B. Agreement dated October 17, 1966, and approved by the Illinois Commerce Commission on January 25, 1967, under Docket ESA 42.
- C. Agreement dated June 20, 1967, and approved by the Illinois Commerce Commission on August 23, 1967, under Docket ESA 62.

Upon approval of this Service Area Agreement by the Illinois Commerce Commission, the rights and obligations of the parties to the aforementioned Agreements shall be deemed merged into this Service Area Agreement, and the said three Agreements shall be deemed terminated and of no force or effect.

Section 11. Any agreement between the parties which is made pursuant to the provisions of Sections 3, 4, 5, or 9 shall be in the form of an amendment to this Agreement and shall be made subject to the approval of the Illinois Commerce Commission.

Section 12. Illinois Power and Southwestern shall jointly submit this Agreement to the Illinois Commerce Commission for its approval. On the date of approval by the Commission, this Agreement shall become effective and shall continue in full force and effect until or unless it is amended or rescinded by a written agreement and such amendment or rescission is approved by the Illinois Commerce Commission.

Section 13. This Agreement shall be executed in four counterparts, each of which shall constitute an original.

Section 14. The obligations and rights of this Agreement shall be binding upon and shall inure to the benefit of the assigns or successors of the parties.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed and its corporate seal to be affixed by its duly authorized officers, as of the day and year first above written.

ILLINOIS POWER COMPANY

By J. B. Meenan  
Senior Vice President

ATTEST:

[Signature]  
Secretary

(SEAL)

SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

By Edward S. Geyer  
President

ATTEST:

Chas. E. Pheasant  
Secretary

(SEAL)